

Financial Results Briefing

FINDEX Inc.

Fiscal Year Ending December 2022 Financial Results
August 2022



FY2022 Q2 Updates and Highlights

FY2022.12 2Q Updates and Highlights

Completed Declaration of Conformity to EU-MDR for GAP® (Gaze Analyzing Perimeter)

Starting overseas sales soon

Concluded a distributorship agreement with Rexam Co., Ltd. (Rexam)

Our exclusive distributor of GAP to the EU, UK, Middle East and African countries

Concluded a strategic partnership agreement with Toyota Tsusho Corporation (TTC)

- Introducing Claio and other medical solutions to the hospitals in India and ASEAN countries
- Distributing GAP to the hospitals in India and ASEAN countries
- Accelerating sales of GAP-screener to domestic check-up facilities and organizations

Announced a change in a consolidated subsidiary

EMC Healthcare Co., Ltd. (EMCH) was excluded from our consolidated subsidiaries and became an equity method affiliate of the Company on 1st July 2022, as a result of the exercise of stock options by its managements and employees

Transferred to the Prime Market in Tokyo Stock Exchange

Now listed on the Prime Market, in accordance with the market restructuring conducted by the Tokyo Stock Exchange

Relocated Tokyo headquarters

Relocated to Tokyo Sankei Building (26F, 1-7-2 Otemachi Chiyoda-ku) in April 2022

FY2021 Q2 Financial Results

FY2021 Q2 Year to year Comparison (Consolidated)

Smoothly shifting to a profitable business structure with the strong sales of packaged medical solutions, customer acquisition in the office system section and the completion of preparation for overseas sales of GAP

Sales

Steady progress in all business segments but slightly below the forecasted figure:
99.1% against the budget

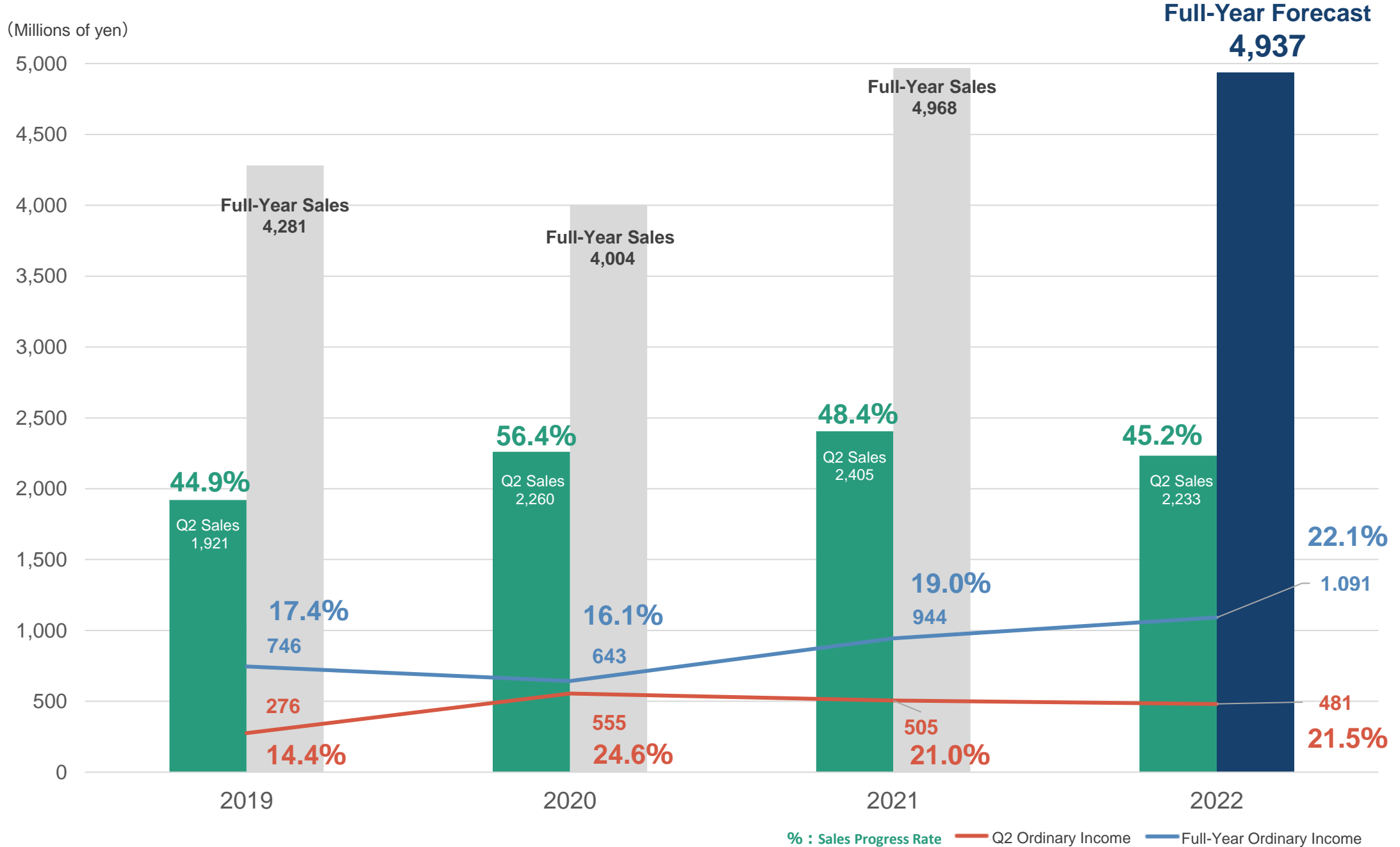
Income

Successful to introduce profitable solutions to medical institutions:
Over 110% against the budget

(Millions of yen)

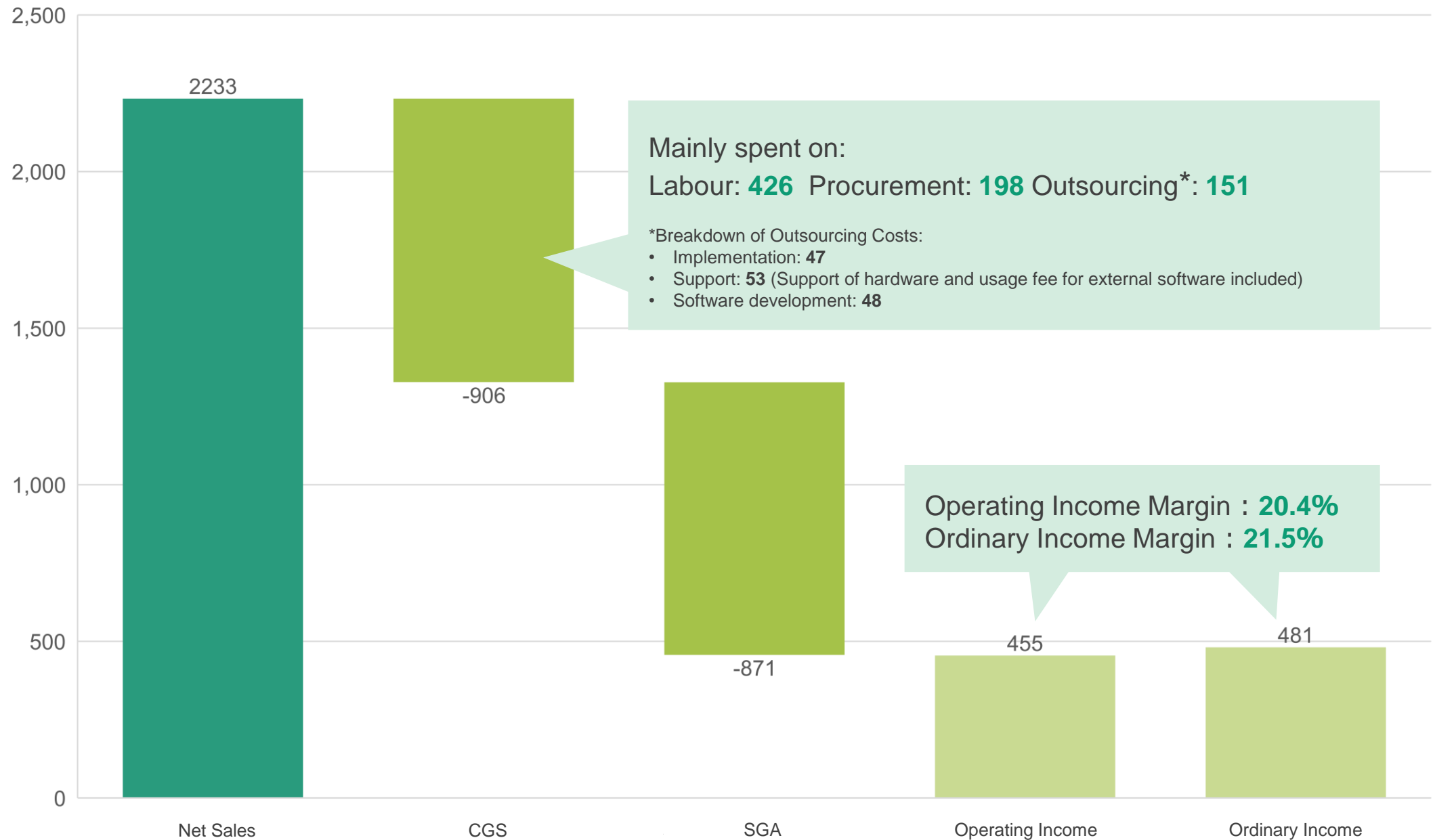
	FY2021 Q2 Actual	FY2022 Q2 Actual	Year-on-year ratio	Relative to budget
Net Sales	2,405	2,233	92.9 %	99.1%
Operating Income	488	455	93.2 %	112.8%
Ordinary Income	505	481	95.3 %	116.0%
Profit Attributable to Shareholders of Parent	340	319	93.9 %	117.2%
Earning per Share (yen)	13.30	12.49	—	—

FY2022 2Q Comparison of the Past 3 Years (Consolidated)



FY2022 2Q Profit Structure (Consolidated)

(Millions of yen)

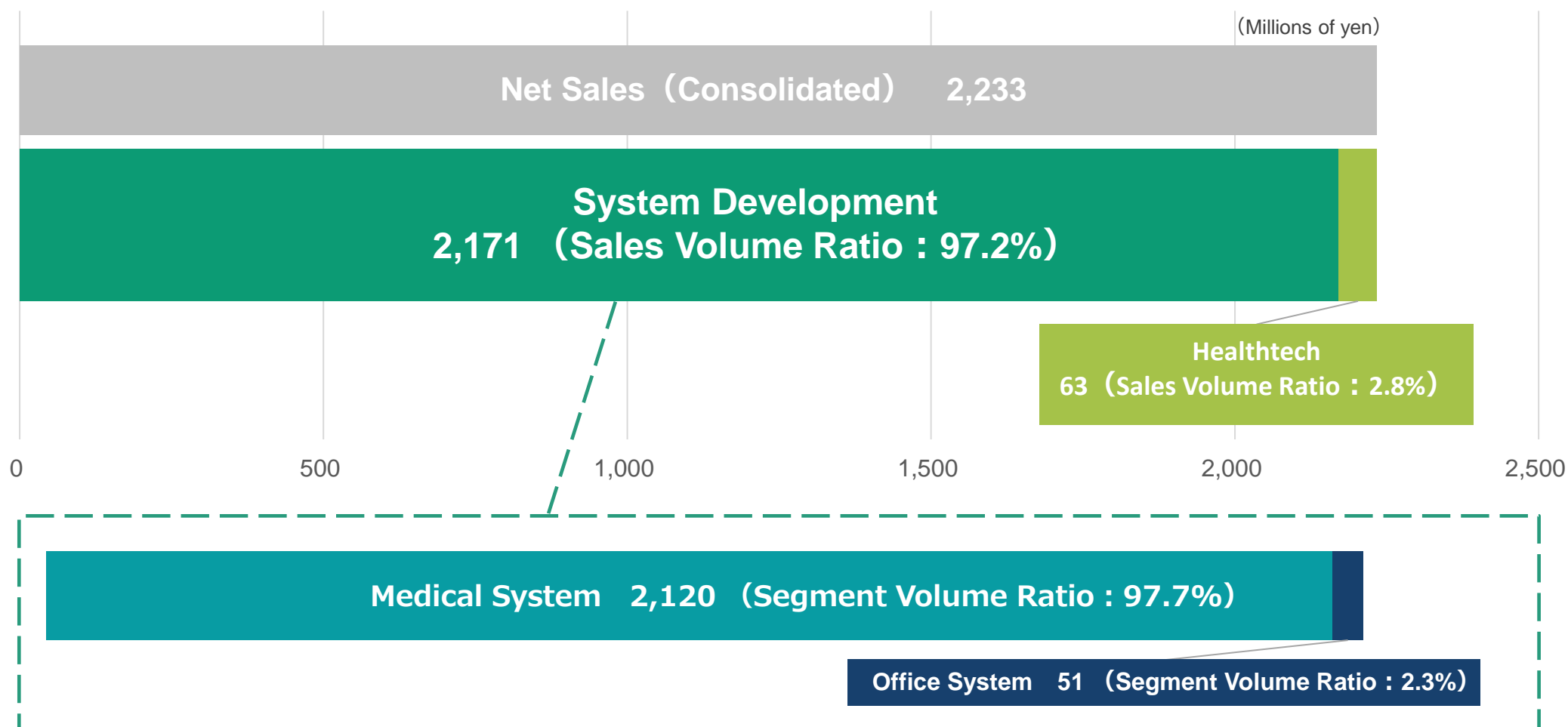


FY2022 2Q Results by Segment (Consolidated)

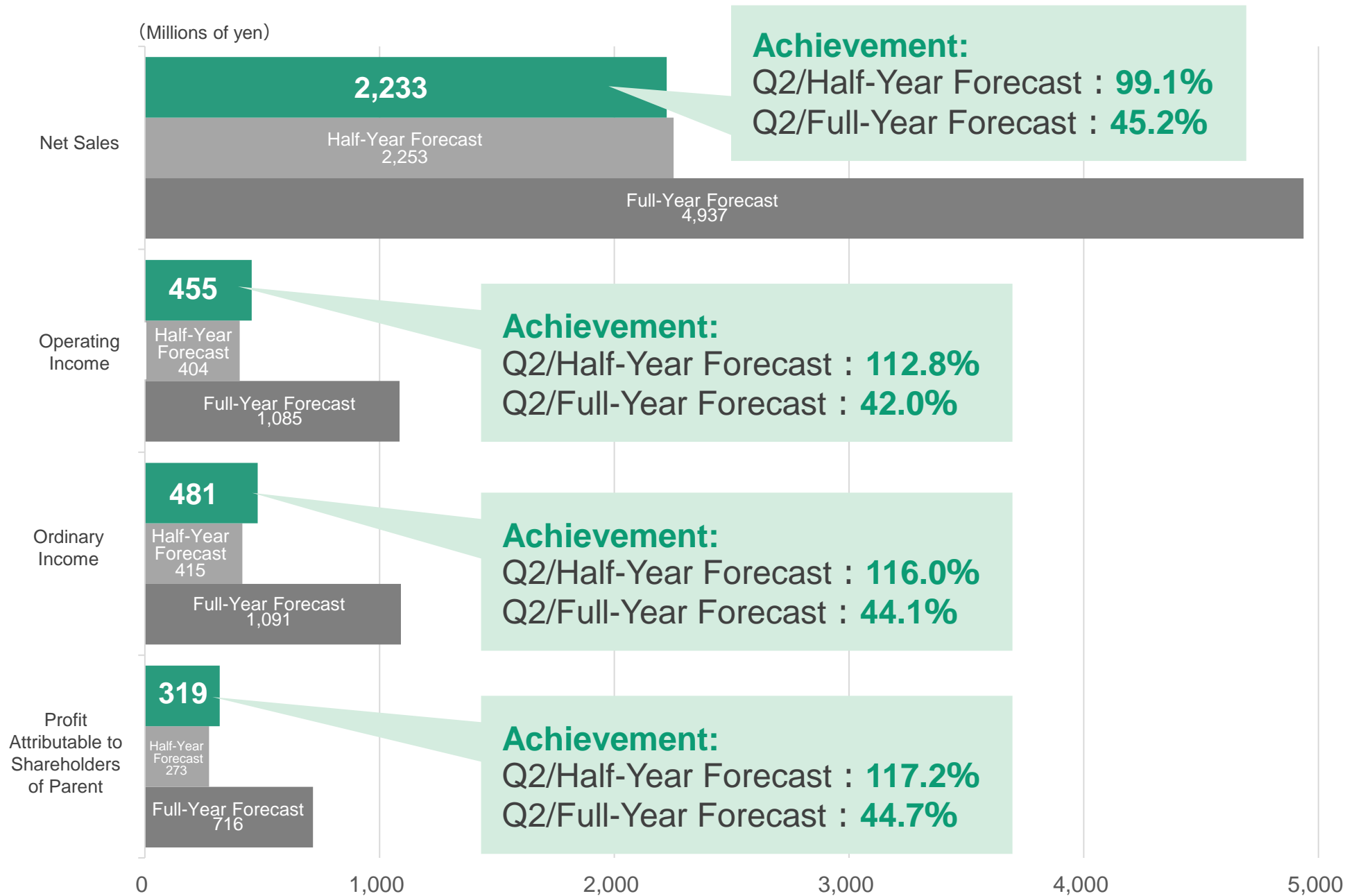
Reported Segments :

System Development ▶ **Medical System** and **Office System**

Healthtech ▶ **GAP** and **EMCH** products and solutions



FY2022 2Q Progress Report (Consolidated)



Our Market Share



An Overwhelming Market Share of

75.0%

in National University Hospitals

Market share in large hospitals
with more than 500 beds



46.8%

Other hospitals and clinics



Over 1,600
facilities

*From 2021, one-time products are excluded from aggregation.

Reference: Ministry of Health, Labor and Welfare 2020 Survey of Medical Facilities (static and dynamic) and Summary of Hospital Reports

(As of June 2022)

FY2022 2Q Changes in the Number of Medical System Users

(# of Facilities)

Classification	FY2021	FY2022 2Q	Changes*
Large hospitals (>500 beds)	188	191	3
Medium sized hospitals (100 to 499 beds)	388	397	9
Small hospitals (20 to 99 beds)	81	83	2
Clinics (<19 beds)	1,114	1,151	37
Other medial-related facilities	17	18	1
Non-medical facilities	10	10	0
Community-based comprehensive care	25	25	0
Total	1,823	1,875	52

***From 2021 one-time products are excluded from aggregation.**

(As of June 2022)

*The number of increase is the pure increase of new users (including reclassification), in addition to “system renewal”.

FY2022 Full-Year Outlook

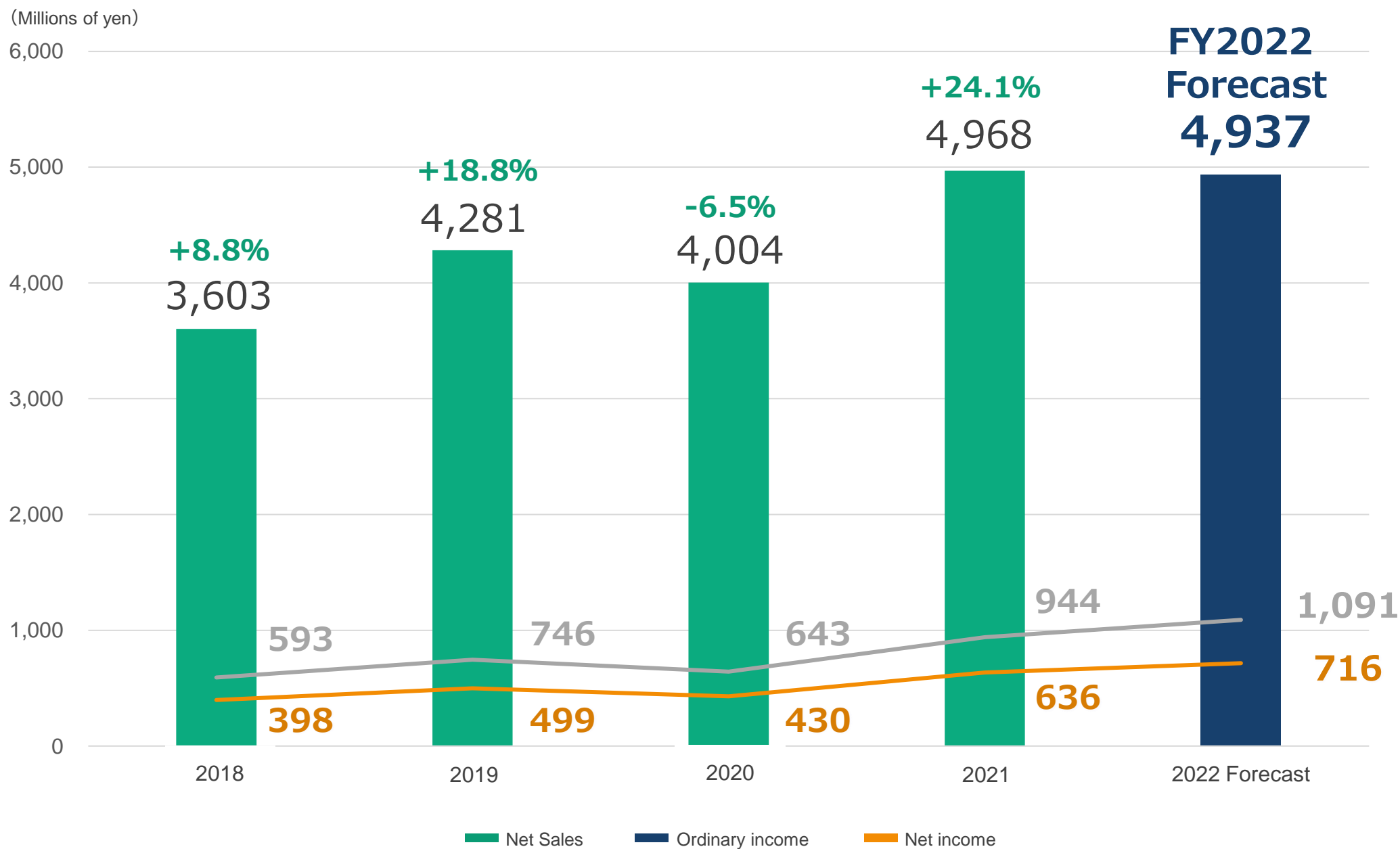
2022 Forecast (Consolidated)

- Under COVID-19 crisis hospital investment decisions in software are less active nevertheless profit margin remains high and stable as the sales of pre-packaged solutions and cloud-based services.
- Numbers of inquiries, demonstrations have increased and several implementations are underway for affiliated organizations of central government.
- Targeting the total sales of 400 units with the strategic alliances with our partners.

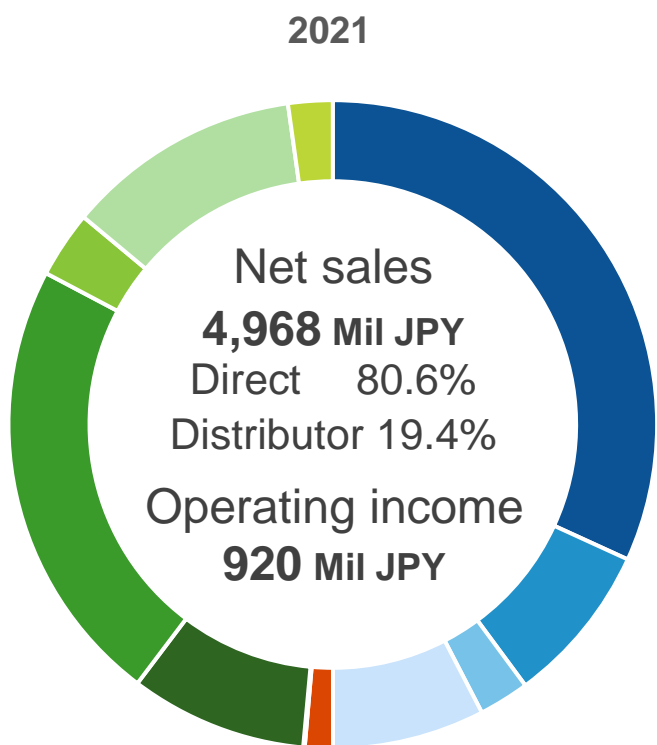
(Millions of yen)

	2021 Actual (Consolidated)	2022 Forecast (Consolidated)	
	Amount	Amount	YoY ratio
Net sales	4,968	4,937	-0.6 %
Operating income	920	1,085	+17.8 %
Ordinary income	944	1,091	+15.5 %
Profit attributable to owners of parent	636	716	+12.6 %
Earning per share (yen)	24.84	27.96	—
Dividend per share (forecast)			
Interim dividend (yen)	2.50	3.00	—
Year-end dividend (yen)	6.00	6.50	—
Full year dividend (yen)	8.50	9.50	—

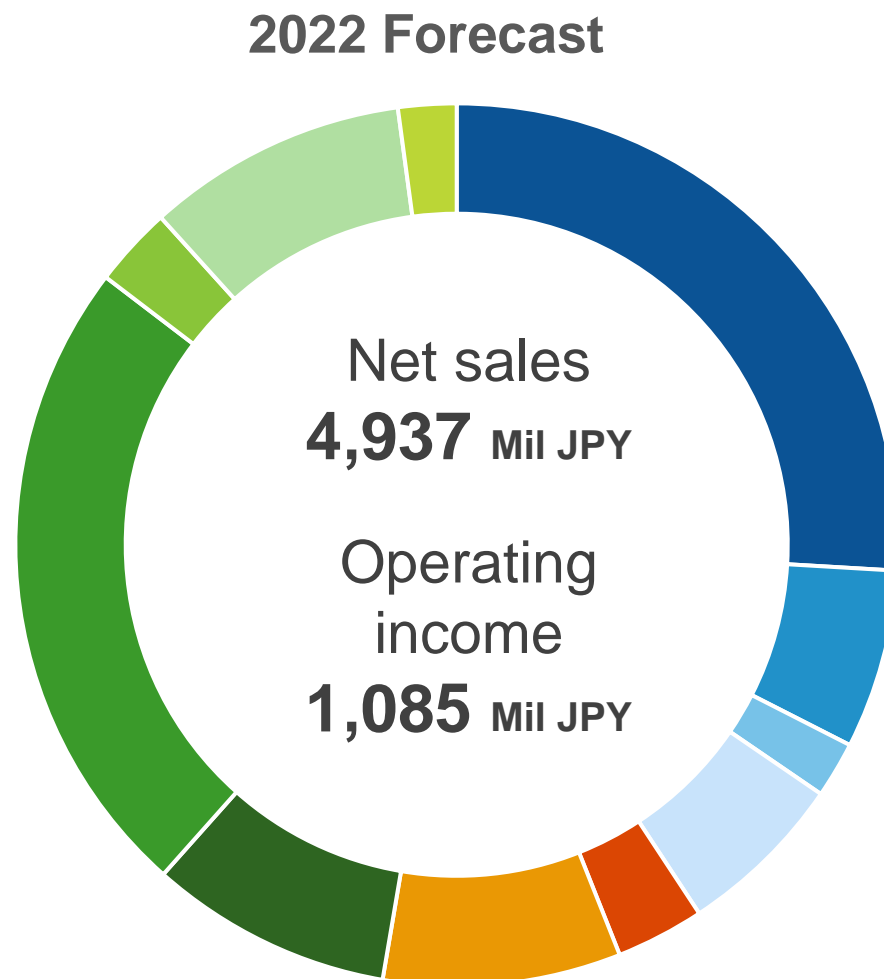
Trends in Net Sales, Ordinary / Net Income (Consolidated)



FY2022 Forecast by Products (Consolidated)



- Claio Series
- DocuMaker Series
- REMORA
- Radiology
- DocuMaker Office
- GAP
- Hardware
- Maintenance
- License
- Others
- Subsidiaries



Medical System Segment

Market Trends

Growth slowing down due to widespread of covid-19

Adapt sales & implementation to covid-19

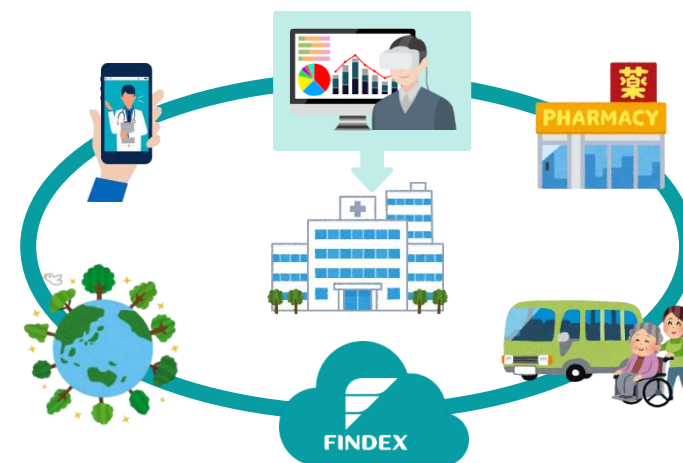
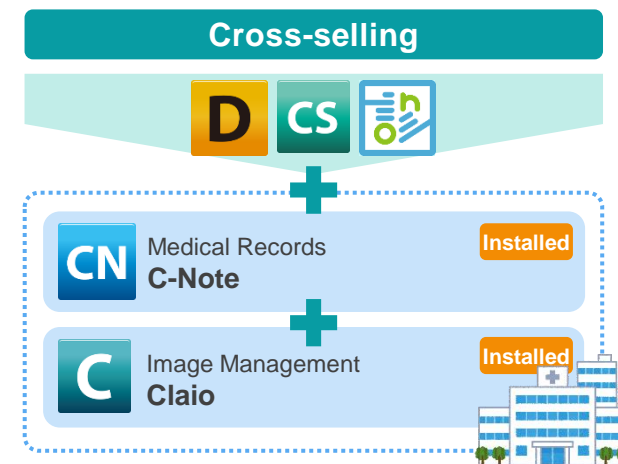
- Steadily gain new and additional deals under covid-19
- Review the areas of responsibilities and services with the distributors to establish an efficient sales network.

Cross-sell to existing customers and strengthen sales of packaged software to new customers

- Increase the number of products used by existing customers, thereby enhancing opportunities for comprehensive service offerings including maintenance.
- Prioritize sales of existing packaged products with low installation costs to further improve profit margins.

Prepare to build a new infrastructure for medical services

- Connect people, goods and services through cloud computing to realize a more convenient and efficient medical system and to create a regional healthcare community.



Office System Segment

Market Trends

Local governments focusing on digitalization to drive improvement

Actively apply for bids

- Participate in bids from local governments and public organizations, addressing their needs based on the policies by Ministry of Internal Affairs and Communications.
- Directly manage large projects and outsource small to mid-sized projects to distributors.



Expand sales to administrative departments within hospitals by leveraging our existing sales channels in medical market

- Aim to rapidly spread the adoption of our software, based on our huge success in delivering software to the majority of national university hospitals.

Reorganize and enhance internal resources to handle large projects

- Multiple negotiations in progress with some orders scheduled for introduction after 2023.



Health Tech Segment– Gaze Analyzing Perimeter

Market Trends

The ophthalmology field is less susceptible to disease outbreaks and can expect stable sales

Domestic



Expand sales via distributors

Total Sales = 26 units (GAP-Screener/GAP)

- 1/3 of domestic ophthalmologists are our customers.
⇒ Sales to existing customers a priority, multiple demos underway.
- Sales target for FY2022 : **100 units**

Creating a market for medical checkup facilities through a pay-per-use system

Realize multiple business meetings (GAP-Screener).

- Installations started in several facilities.
- Aligning with Toyota Tsusho Corporation, establish a sales network specializing in medical checkups through the pay-per-use system.
- Sales target for FY2022 : **100 units**

Further researches underway with Kyoto Univ.

- Selected for **AMED** (Japan Agency for Medical Research and Development) project, obtained a total budget of **260 million JPY over 5 years**.
- Useful for detecting **MCI** (early-stage dementia) in addition to visual field abnormalities.
- Possibility of diversion to testing for other psychiatric and brain disorders.

Overseas



Launching in EU soon

- **Declaration of Conformity to EU-MDR completed.**
- Contracted with the exclusive distributor Rexam
Product Name: Eye-Tracking Perimeter FieldNavigator (OEM)
- Export routes and local sales networks are already secured.
⇒ Number of local dealers:
EU: 33, Middle East & Africa: 23
- Sales target for FY2022 : **200 units**

Formulating sales strategies for other regions

- Collaborating with partners to build sales networks in each region.
- Sales in India and ASEAN countries
⇒ Contracted with Toyota Tsusho Corporation
- Sales in North and South America
⇒ developing process for FDA approval.

Improve Profitability of Medical Software Healthtech Contributes to Our Sales and Profits

Medical System

Growth slowing down due to widespread of covid-19

- ▶ Adapt sales & implementation to covid-19
- ▶ Cross-sell to existing customers and strengthen sales of packaged software to new customers
- ▶ Prepare to build a new network/infrastructure for medical services

Office System

Local governments focusing on digitalization to drive improvement

- ▶ Actively apply for bids
- ▶ Expand sales to administrative departments within hospitals by leveraging our existing sales channels in medical market
- ▶ Reorganize and enhance internal resources to handle large projects

Healthtech

The ophthalmology field is less susceptible to disease outbreaks and can expect stable sales

- ▶ Strengthen business by developing sales networks with Rexam and Toyota Tsusho
- ▶ Accelerate sales and implementations of GAP-screener to health checkup centers
- ▶ Declaration of Conformity to MDR completed - Start sales in the EU, UK, Middle East & Africa

Progressive Software Creators

Always have, Always will.

